

# PURCHASING UPDATE



## Utah Department of Government Operations

### Electronic Signatures

By Garret Johnston, State Purchasing Agent

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While quarantining at home during the 2020 pandemic, 19 million American homeowners took advantage of historic low mortgage rates of less than 3% and refinanced their 30-yr home mortgages. I was one of the 19 million to contribute to the \$2.4 trillion in 2020 refinance activity.

Refinancing prior to 2020 would require taking half-day off work to drive to the loan officers' place of business and sign closing documents. The loan officer/cheerleader would ply borrowers with soft-drinks, M&M trail mix, and clever banter to keep up energy as borrowers spent the next hours stadium-stair-signing a tower of documents, most requiring multiple signatures throughout and initials at the bottom of each page (Promissory Note, Deed of Trust, HUD-1 Settlement Statement, Truth In Lending Disclosure Statement, Escrow Instructions, Notice of Rights to Cancel, Signature/Name Affidavit, Errors and Omissions Compliance Agreement, Escrow Waiver, Acknowledgement of Disclosures, Form 4506-T, Loan Servicing Disclosure, Loan Application...).

Like pre-2020 escrow, borrowers had the same number of documents to sign, but now an entirely different experience. Unlike 2019, borrowers could now log on to the lender's secured website to review all docs prior to signing, IM'ing the loan officer with any questions. When documents were to every party's satisfaction, the loan officer, ours working from home in Ohio, arranged a date for the notary, ours working from home in Spanish Fork, UT, to visit the borrows' place of residence for document signing, all arranged while the borrower sat at the breakfast table ignoring the barking dog and bickering kids. Our notary came to our house at 9am on a Saturday morning with her tablet in tow and we with our keep-the-dog-off-the-visitor squirt bottle in hand. My spouse and I each applied 5 wet signatures to the first five pages of the loan documents (it had to be black ink, not blue) and all remaining signatures/initials were executed electronically via a finger-tap on a Samsung Galaxy tablet screen in a Script font type.

# JUST THE FAQs

## Amazon FAQ

By Blake Theo Porter

### What's the difference between "blocked" and "restricted"?

A blocked item is typically one that is outside the scope of Amazon's contract and cannot be purchased. Furniture and IT items are blocked because they are outside the scope of Amazon's contract. Restricted simply means an item might be in a gray area but can be ordered if approved by the agency's Amazon approver. A good example is a computer accessory, such as a keyboard or mouse. These computer accessories are okay to approve and purchase, whereas an actual computer is not.

### Can you please unblock this "restricted" item?

Restricted means your agency needs to review the item to make sure it's not an IT or furniture item that is outside the scope of Amazon's statewide contract. You can submit the item for your agency's approver in Amazon to review, no need to have State Purchasing unblock it for you.

### How do I know if an item is IT?

Whether something is furniture is a bit more obvious, but it's not always obvious if an item is "IT" or not, and whether it can be approved and purchased on the State's Amazon Business Account. To help we refer to the Department of Technology Services (DTS) Products/Services and Exceptions List for guidance on what is or is not "IT" for purposes of defining the scope of Amazon's contract.

### Can I use my personal credit card to make a personal purchase on the State's Amazon Business Account?

Nope. The State's Amazon Business Account is strictly for work purposes. Also, the State's account is sales tax exempt, so if a user were to make a personal purchase they would be avoiding paying sales tax as required by law.

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The signing took a little over 1hr, probably because I goofed on 1 of the 5 wet signatures. I always sign my first two initials followed by my last name. But because the paperwork was all in my full name, the lending company required legible wet signatures of the complete name as printed in the paperwork. With a blank sheet of paper, the notary illustrated how the lending company wanted each letter in the signature to appear. We were instructed the proper way to sign a "k" so as not to be confused with an "h", and so on through many other troublesome letters of the alphabet. So in the end, the completely legible wet signature looked nothing like any signature I've ever signed before (...some might say it was slightly improved).

In this case, my unique wet signature and many finger-taps on the digital screen were done in the presence of a notary. But how valid are electronic signatures, when not executed in front of a notary? In a google article titled *Ten Things: Electronic Signatures (What In-House Counsel Need to Know)*, it says a signature can be a typed printed name, an email exchange, a click "I accept" on a website, among many other acceptable signatures. It goes on to claim that digital signatures can be forged and challenged like wet signatures and encourages readers the use a password required digital signature application like DocuSign, AdobeSign, PandaDoc, RightSignature, SignNow, EverSign, SigFonts, etc., for electronic signatures (DAS Purchasing uses the AdobeSign electronic signature flow process). The article closes with the good advice to create a company-wide electronic signature policy with rules and guidelines.

As witnessed in the US economy, a sound signature policy can increase efficiency as it did in 2020 for the lending business, which drastically reduced the large quantities of paper, ink, copiers, supplies, not to mention the time to coax borrowers through hand signing 26.2 miles of documents (only slightly exaggerated...). The efficiencies are made obvious when comparing 2019's record-low mortgage rates of 3.9% where only 6 million Americans refinanced their 30-yr loans vs 2020's 19 million refinances done from the comforts of home and many, like ours, outside standard business hours. Lenders could not have moved 19 million paper mountains if not converted to digital documents and executed via electronic signatures.

Indeed the electronic signature has enabled many 2020 businesses to operate and some to thrive by allowing large numbers of people to work from home, educators to teach and physicians to practice via video conference, grocers to home-deliver, restaurants to serve curbside, lending companies to refinance homes, etc. And, though electronic signature has been around for decades, it has emerged from the 2020 pandemic more prevalence than ever in business transactions.

For questions, contact Garret Johnston, gkjohnston@utah.gov.

## Protest Panic

*By Blake Theo Porter, State Contract Analyst*

“You haven’t lived until you have been through a protest.” The infamous catchphrase of public procurement professionals everywhere couldn’t be truer. What one thought was just another day in the office, just another solicitation, gets turned upside with one protest letter. Panic is the natural reaction as we think “What did I do wrong?” We feverishly go through every detail of our solicitation, hoping beyond hope we did what we were supposed to do.

When you get a protest you need to pause, but don’t stop! Pause additional work on the solicitation while the protest is reviewed. You may need to extend an incumbent’s contract to ensure there isn’t a lapse in services, notify the procurement unit impacted by the protest if there’s a delay, provide additional documentation for the protest officer, etc. Pause and figure out what needs to be done for the current contract to be in a good place while things settle, but don’t stop working altogether.

Knowing what is and is not grounds for a protest can help deal with the blow of receiving a protest. Grounds for protest include: violating a provision of code, failing to follow a provision in the solicitation, making an error by the evaluation committee, exercising a bias in evaluation, failing to apply or calculate score criterion, and using specifications that are unduly restrictive or anticompetitive (Utah Procurement Code §63G-6a-1602(4)(b)). It’s a pretty short list of major issues, and it basically boils down to if we do it right the first time, then there shouldn’t be anything to worry about.

A popular protest is one stating a vendor should have scored better or worse than another vendor. These protests fall into the category of a vague or unsubstantiated claim, and are not grounds for a protest (§63G-6a-1602(5)(b) and R33-16-101a(2)(b)(ii)). It’s important to note that the evaluation committee is supposed to be independent and is allowed to be subjective in scoring subjective criteria, so no error has occurred when the committee has different scoring, nor are they required to be equally impressed by a proposal.

Ambiguity or confusion in a solicitation may potentially be grounds for a protest if a grievance has occurred (R33-16-101a(2)(a)(iv)). Even if a solicitation is written with the best efforts to make it as clear as possible, our finite human brains can’t think of every possibility. A vendor’s perspective in a protest is invaluable to see how our solicitation language can be interpreted and is a great teaching tool. Hindsight is 20/20 and when we look back at our work there is always something to be improved upon.

Protests are a key component of the Utah Procurement Code in promoting the rule of law in public procurement. Receiving a protest may still ruin one’s day, but in time can also be something appreciated and seen as an important check to ensure we are doing what we say we are doing, which is creating a fair, open, and competitive procurement process.

For questions, contact Blake Theo Porter, [btporter@utah.gov](mailto:btporter@utah.gov).



# Attention: FINET Users—GMAs vs PRCs on State Cooperative Contracts

By Cherilyn Hess, State Contract Analyst

FINET Users utilizing GMA documents to pay on a State Cooperative Contract **must** go to [statecontracts.utah.gov](http://statecontracts.utah.gov) to validate the effective dates of the contract against which the payment will be made. Due to system limitations, FINET will allow GMA payment requests to be made on expired State Cooperative Contracts. Payments should only be made after a State Cooperative Contract expires **if** a late invoice arrives and **if** the invoice proves that the work was performed or the items were purchased prior to the end of the contract. Verification of work performed or items purchased during the effective dates of the contract is the responsibility of the agency making the purchase. An audit finding can result if a payment is made for work performed or items purchased outside of the effective dates of a State Cooperative Contract.

FINET - PRC instructions are provided below and are on each State Cooperative Contract's landing page ([statecontracts.utah.gov](http://statecontracts.utah.gov)). By utilizing a PRC payment requests instead of GMA requests, an agency will ensure payments are only requested on active State Cooperative Contracts.

## PRC Instructions

"Eligible Users using FINET are recommended to use a DO to PRC or a stand-alone PRC to request payments on purchases from a State Cooperative Contract in order to effectively track payments against the contract in FINET and Data Warehouse. If a DO to PRC or a stand-alone PRC is not possible, Eligible Users using FINET may also use a GMA. Eligible Users shall utilize the vendor code provided on the contract in FINET when making either PRC or GMA payment requests. If you receive an invoice that does not match the vendor information on the contract, please notify the Division of Purchasing prior to processing your payment request."

If you have questions regarding the FINET instructions or creating a PRC, please contact [financesupport@utah.gov](mailto:financesupport@utah.gov).

NOTE: Finance policy does not allow GMA requests for payments against agency contracts.

## FINET 3.10

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## Seek Knowledge for Fraud Prevention

Krysta Countryman, Contract Analyst & Tara Eutsler, Contract Analyst

Information is power. By seeking knowledge of payments, the Utah Division of Purchasing harnesses power to prevent fraud. Knowledge comes from querying the State's financial system, obtaining p-card payment reports, reviewing payments in Amazon's dashboards, and searching any other source that contains expenditure information. As you seek to prevent fraud in your agency, seek knowledge of where fraud can be found.

### Small Purchase Fraud

Small purchase payments should be inspected for frequent payments to a single vendor, especially regular payment just under dollar thresholds; short time frames between payments to the same vendor; and informal quotes which are regularly awarded to the same vendor.

- **Analyze GAX payments:** Watch for repeated payments to the same vendor over long periods of time, especially payments just under \$1,000 or \$5,000.
- **Review P-card records:** Download a clean copy of the statement and review against the statement provided with the P-Card log.
- **Inspect Decentralized Purchase Orders (PD):** Review amounts exceeding \$5,000 to determine if the procurement authority existed for the purchase.

### Amazon Fraud

- **Amazon Address Reviews:** Due to the pandemic, the majority of the workforce has been converted to teleworking. Agencies should review Amazon purchases

and other online purchases which are delivered to employee's homes to ensure the items purchased are for work purposes and not for personal use.

- **Amazon Personal Spend Reviews:** It is unlawful for a state employee to make a personal order through their State-owned Amazon account where they would receive additional benefits that they would not receive through their personal accounts, such as free shipping or tax-free purchases.

### Vendor Fraud

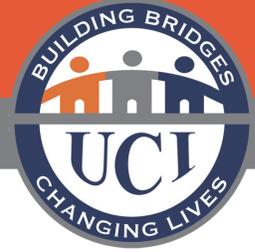
- **Due diligence reviews:** Perform a review or investigation on vendors who passed the evaluation phase of a solicitation to determine if the vendor is reliable and capable of performing the work or service of which they are being awarded.
- **Search State Cooperative Contract Spend:** Review payment requests (GMA or PRC) that reference a contract to ensure the payment is to the vendor listed in FINET. Fraud can occur when another vendor is referenced for the payment.

As procurement professionals, we are a first-line defense for preventing procurement fraud. When seeking information for fraud prevention, review your various systems to seek knowledge of where fraud may occur in your agency.

For questions, contact Krysta Countryman, [kcountryma@utah.gov](mailto:kcountryma@utah.gov) or Tara Eutsler, [teutsler@utah.gov](mailto:teutsler@utah.gov).

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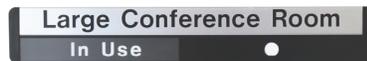
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QUESTIONS? CONTACT US AT 801-576-7700  
UCI.UTAH.GOV

## Spotlight Article



### Kim Clausing , Contract Analyst

I have only lived in Utah. Utah has such a great diversity of outdoor activities, I haven't wanted to leave. There have been job opportunities elsewhere but couldn't leave Utah. Utah has allowed my husband Rob, and I, a marriage of almost 32 years, to raise 3 active wonderful children. The oldest, Zac, is married with two adorable grandchildren, 7 and 10. Zac was a baseball player for the U of U. Our second son, Jac, was a recipient of the Utah Sports Hall of Fame Foundation Scholarship, is listed at the USHOF Museum, and is finishing up his degree. My youngest, Katrina, just graduated from Westminster, and was the '20-'21 Student of the Year in the Biology Program. I previously worked for Tooele County as a Health Ed Program

Coordinator of Contracts for almost 19 yrs. When Covid started, I assisted our community with contact tracing and working Covid vaccine clinics. By May of 2021, I assisted in helping 39,781 people receive their Covid vaccine. Before Covid my work consisted of assisting in various areas of health aspects in my community, helping people live healthier lives. I'm proud to say I developed an Active Transportation Plan that was adopted into the County General Plan and received grant funding to further walking and biking paths through our community. Two sections of the plan that I accomplished for walking and biking are an Underpass and a path called Rabbit Lane. I am excited to be branching out to work for the State of Utah now. A state that I love to call home!

Q: What's the best vacation you have ever been on?

A: Anywhere with my family, but when I was 17 my family and I went to Europe. We were at the Neuschwanstein Castle in Bavaria, Germany. I had my hair in braids that day. Asian tourists kept thinking I was from Germany and wanted to have me stand with their families in their pictures. I bet I had close to 20 families I stood in photos with. My family laughed as one family left another would ask to have their picture with me. I should have charged. I actually have family descendants from Bern, Switzerland, not Germany.

Q: What is your biggest fear?

A: Obviously, most everyone is afraid of something happening to their families. One constant fear is my food allergies. I have an anaphylaxis response to some foods, like nuts, my breathing closes off. Suffocation wouldn't be a nice way to die.

**TOPIC:** Sciquest/Jaggaer Tips and Tricks

**PRESENTERS:** Rick Straw

**DATE:** 10/21/2021 | **TIME:** 12:00 PM—1:00 PM

**Future Utah Chapter NIGP meetings**

11/18/2021 | TBD



### How to Receive the Purchasing Update Newsletter

Did you receive this newsletter from a co-worker? Do you want to receive the Purchasing Update directly? Please send an email to Tara Eutsler, [teutsler@utah.gov](mailto:teutsler@utah.gov).

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[Purchasing.utah.gov](http://Purchasing.utah.gov)

Hours: 8:00 am—5:00 pm M-F

